

Office of the City Auditor City of San Diego

Fraud Hotline Update FY2012 Quarter 2 (October 2011 – December 2011)

Audit Committee, March 5, 2012



Fraud Hotline Complaints Received

Quarter 2 FY 2012 Summary

Office of City Auditor Investigations	Qtr 1	Qtr 2	Total
Conflicts of Interest	2	0	2
Fraud	0	1	1
Accounting/Audit Irregularities	0	2	2
Waste and Abuse	0	1	1
Retaliation of Whistleblowers	0	1	1
Subtotal of OCA Investigations	2	5	7
Complaints Referred to City Departments for Investigation			
Customer Relations	2	5	7
Policy Issues	1	0	1
Fraudulent Insurance Claims	1	0	1
Safety and Sanitation Issues	0	2	2
Theft of Time	0	1	1
Waste and Abuse	2	0	2
Subtotal Department Investigations	6	8	14
Total Complaints Received In Purview of Fraud Hotline	8	13	21
Non-City Complaints or Complaints Not in Purview of Fraud Hotline			
Referred to Proper Authority	7	0	7
Total Complaints Received	15	13	28

Hotline Activity, October 2011 – December 2011 and Open Complaints from Previous Qtr

- As reported, **13** complaints were filed with the Hotline between October 2011 and December 2011. In addition, at the end of the previous quarter, **10** complaints remained open and unresolved for a total of **23** open complaints in the purview of the City's Fraud Hotline were active in the second quarter.
- **One** complaint that was received in the first quarter of FY 2012 that was not in the purview of the City fraud Hotline was referred to the proper authority in the second quarter of FY 2012.
- **10** of the **23** remain open and unresolved, and **13** were closed. Of the **13** that were closed,
 - ♦ **4** were substantiated, and
 - ♦ **1** was unsubstantiated with preventative action, and
 - ♦ **8** complaints were unsubstantiated.

Hotline Activity, October 2011 – December 2011 and Open Complaints from Previous Qtr

Complaint Status	City Auditor Investigations	Referred to Dept	Total	Not in Purview	Total	Percent
Complaints Unresolved 9/30/2011	6	4	10	1	11	
Complaints Received in 2nd Qtr	5	8	13	0	13	
Subtotal	11	12	23	1	24	
Complaints Closed	-3	-10	-13	-1	-14	
Substantiated	2	2	4			30.8%
Unsubstantiated w/ Preventative Actions	0	1	1			7.7%
Unsubstantiated	1	7	8			61.5%
Complaints Unresolved 12/31/2011	8	2	10	0	10	

Hotline Investigation Report of False Request for Reimbursement

- Investigated an allegation that a non-profit organization knowingly submitted a Community Development Block Grant (CDBG) reimbursement request for over \$20,000 for work that did not qualify for reimbursement.
- The complaint was substantiated. The Department terminated the contract and issued a demand for repayment of misused CDBG funds.
- The Hotline Report of this investigation, including management's response, can be found on our website at:
- http://www.sandiego.gov/auditor/reports/fy11_pdf/hotline/111025hotline.pdf

Hotline Investigation Report of the Pacific Beach Community Development Corporation (PB-CDC)

- Investigated allegations that the PB-CDC violated certain terms of its City contract to manage the Pacific Beach Business Improvement District (BID).
- The complainant was substantiated. We found that:
 - ♦ the PB-CDC did not secure multiple bids for a contract with a vendor that exceeded \$5,000.
 - ♦ it committed some Brown Act violations.
 - ♦ specific businesses in the PB-BID were underpaying their BID assessment and City Business Taxes by underreporting the number of employees.
- The PB-CDC took corrective actions relating to the Brown Act and obtained multiple bids for contracts exceeding \$5,000. The City Treasurer verified employee counts reported by businesses identified in the complaint, which generated approximately \$3,000 in BID assessments and business taxes.
- The Hotline Report of this investigation can be found on our website at:
- http://www.sandiego.gov/auditor/reports/fy11_pdf/hotline/111215hotline.pdf

Referred Complaints Substantiated and Findings that Serve the Interests of the Public

Incident Type	Complaint	Outcome / Status
Safety and Sanitation Issue	Allegation of waste code violations at apartment complex	Solid Waste Code Enforcement officer made inspection and determined that there were waste code violations and cited property owner. Environmental Services Field Operations crew dispatched to remove illegally dumped items at site Substantiated and Corrective Action Taken
Theft of Time	Allegation that City employee conducted personal business while driving City vehicle	The Department determined that the allegation was substantiated and took disciplinary actions Substantiated and Corrective Action Taken
Safety and Sanitation Issue	Allegation that rogue contractor replaced street lights without proper shields	The Department confirmed the existence of a valid street light replacement contract and also that light shields were included in the contract with the street light replacement vendor. The Department requested that the vendor expedite the shield replacement and contacted the complainant to advise light shields will be replaced. Unsubstantiated and Proactive Action Taken

Fraud Hotline Marketing

Fraud Hotline marketing efforts that will begin in the third quarter of fiscal year 2012 will include:

- Posting a link on the CityNet webpage to the Fraud Hotline quarterly report.
- Sending a broadcast email to all employees reminding them that the Fraud Hotline is a viable method of reporting fraud, waste, and abuse.
- Mailing a memo, business card, and Fraud Hotline Brochure titled “Doing What’s Right” to employees.
- Having a message about the Fraud Hotline on water bills.

CityNet Announcement

CityNet | City of San Diego Employee Intranet - Windows Internet Explorer

http://citynet/

File Edit View Favorites Tools Help

City of San Diego Official Website CityNet | City of San Diego

CITYNET

CITY OF SAN DIEGO EMPLOYEE INTRANET

CITYNET HOME | DEPARTMENTS & DIRECTORIES | DOCUMENTS & FORMS | MEETINGS & CALENDARS | PAY & BENEFITS | RESOURCES & TRAINING

SEARCH

Citizen Services Directory

MESSAGE FROM JERRY



Welcome to CityNet, your intranet site! The intranet site is a vehicle to more easily communicate information across the organization. [Read more...](#)

Mayor's Public Communications

All Employee Communications

Employee Safety Newsletter

TOOLS & APPLICATIONS

Choose your tool/application

IT HELP DESK

ONESD

ePay View Historical Paystubs Through 12/11/09

61472 1472

City Auditor

Fraud, Waste, & Abuse Hotline

NEW OUTLOOK

Standardized Correspondence Manual

Vision & Values

SAN DIEGO WASTE NO WATER ALL DAY EVERY DAY.

BREAKING NEWS

Employee Benefits. New information about a voluntary discount program offered to City employees by Sprint Solutions, a City corporate partner, has been posted on CityNet. Check out [Sprint's special offers](#) on calling plans for personal cell phone services.

ANNOUNCEMENTS

Fraud Hotline Update. The [Quarterly Fraud Hotline Update](#) (PDF) for the 2nd quarter of FY 2012 has been posted to the City Auditor's webpage. If you are aware of or have evidence of fraud, waste or abuse by City employees or contractors that involves violations of local, State, or Federal law please contact the Fraud Hotline. The information reported to the City Fraud Hotline is CONFIDENTIAL and can be reported toll free at (888) 809-3500 24 hours a day 7 days a week. Tips to the Hotline have resulted in cost-savings to the City, disciplinary actions, and referrals to law enforcement for criminal prosecution. For more info regarding the Fraud Hotline visit www.sandiego.gov/auditor.

The City is expecting a large number of employees to retire by the end of March this year. With that in mind, we are hosting a series of education sessions with Wells Fargo, the third party administrator for our SPSP and 401(k) plans to address the financial aspects of preparing for retirement.

The Wells Fargo Education Sessions for SPSP, 401(k) and 401(a) plans will be held beginning February 8. The topic is 'Preparing for Retirement'. There will be information to assist you in taking this step. The locations and times are on the schedule at this link: ([More information](#)).

Employee Discount In partnership with the City, event organizers are offering City employees a \$5 discount on the \$30 tickets to the AMA Supercross competition at Qualcomm Stadium on Saturday, February 11. Last day for discount is Friday, February 10. Tickets are expected to sell out so don't wait! [Learn more](#)

New Computer Training Vendor New Horizons has replaced Learnsoft as the computer application training vendor for the City of San Diego. New Horizons is the world's largest independent IT training company, delivering a full range of technology training from basic application and desktop productivity tools to complex IT systems. [Learn more about New Horizons course enrollment, pricing, and payment](#) (PDF) (posted 9/23/11).

[More Announcements](#)

EMPLOYEE EMERGENCY INFORMATION
HOTLINE 236-6125

EMPLOYEE DIRECTORY

To update directory information, contact your department ISA to prepare a service request.

[City Organization Charts](#)

MY WORKPLACE

- [Administrative Regulations](#)
- [Cellular Phone Service Information](#)
- [Forms](#)
- [Otel Voicemail Online](#)
- [Safety](#)
- [Training](#)
- [Transportation \(TAP\)](#) (PDF)

EMPLOYEE RECOGNITION

Put Your CoWorkers in the Spotlight! [More...](#)

- [Employee Kudos](#)

SERVING THE PUBLIC

- [Citizens' Assistance](#)
- [Cityworks Public View](#)
- [Elected Officials](#)
- [Public website \[www.sandiego.gov\]\(http://www.sandiego.gov\)](#)
- [Residential Services](#)
- [Services A-Z](#)
- [Special Events Calendar](#)

EMPLOYMENT OPPORTUNITIES

- [Current City Jobs](#)

WEB SITE INFORMATION

- [CityNet contact information](#)
- [Website Updates & Maintenance](#)
- [Website Usage Statistics \(WebTrends\)](#)

Live Traffic Report

Weather

[CityNet Home](#) | [Departments & Directories](#) | [Documents & Forms](#) | [Meetings & Calendars](#) | [Pay & Benefits](#) | [Resources & Training](#)

Conclusion

Fraud Hotline (866) 809-3500